

Response to Questions on the FY 2007 Advertised Budget Plan

Request By: Supervisor Hudgins

Question: What would be the cost of implementing a rental subsidy program which would assist individuals who are at 60 percent of Metropolitan Statistical Area (MSA) Income or below?

Response:

Based on data from applicants on the Department of Housing and Community Development's (HCD) waiting lists, the cost to provide a rental subsidy for households with incomes between 30 percent and 60 percent of the MSA median income is estimated at \$20.1 million. This would serve an estimated 4,433 households and just over 11,000 individuals. The increment between 60 percent and 70 percent was not calculated due to the low number of applicants in that segment which adversely impacts the statistical reliability. Please note that costs associated with administering such a program have not been included. The following table summarizes detailed data provided by HCD:

Percentage of MSA Income	Number of Households	Total Annual Cost
Income between 30% and 50%	3,868	\$19,483,083
Income between 50% and 60%	565	\$648,738
TOTAL	4,433	\$20,131,821

Households with income less than 30 percent have been excluded from this analysis based on program requirements that typically stipulate an eligibility preference for individuals who are working at least 80 hours per month, or those who are elderly and/or disabled. Thus, an assumption was made that households with incomes less than 30 percent would not qualify for the program.